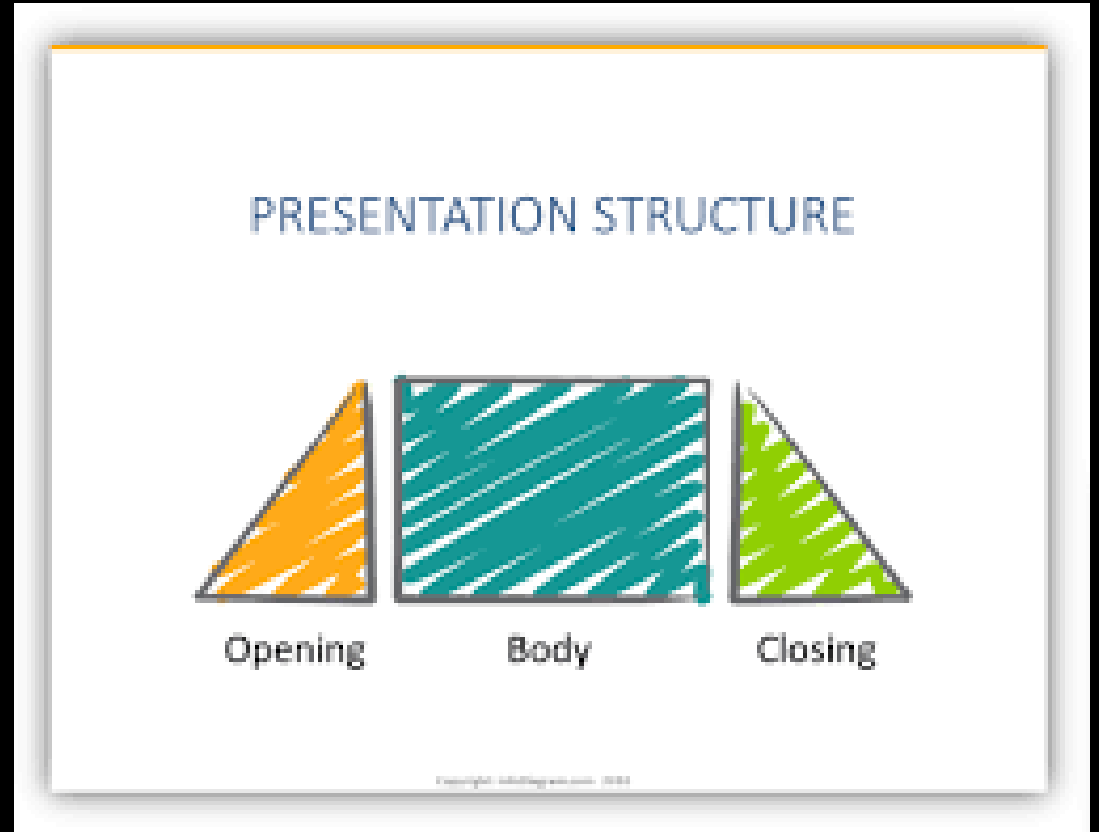


Digital Immersion Retreat

AIMA Goa 10 th August 2023



1. Household vs organizations
2. Digital data
3. India vs the world
4. Metros vs Tier 2
5. 10 points as I see it





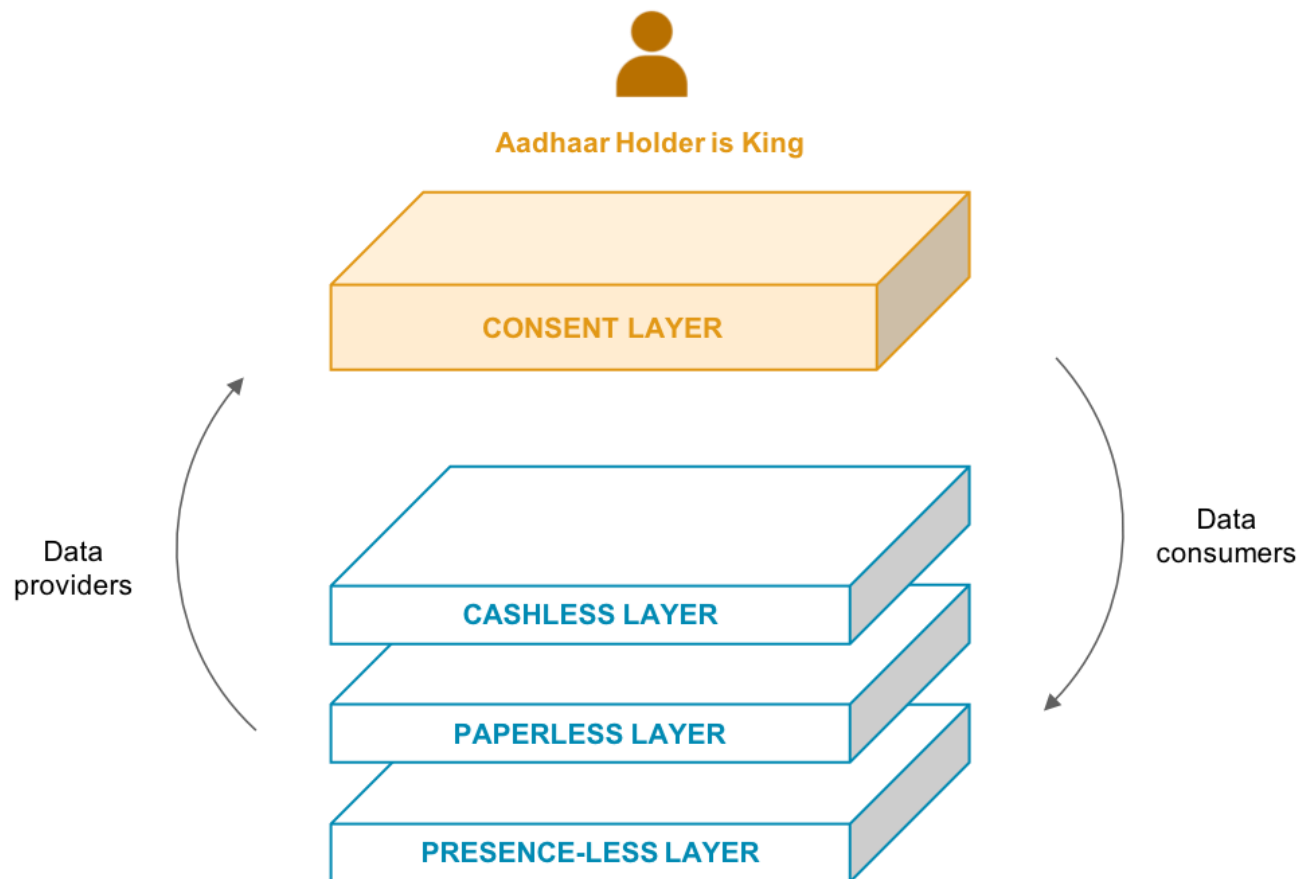
Household vs Organizations

India Classification this report

| | | |
|---------------|---|-----------------------------------|
| Metros | > 40 lacs population | 7 % of India's population |
| Tier 1 | 10 lacs to 40 lacs population | 6 % of India's population |
| Tier 2 | Population of 250,000 to 10 lacs | 5 % of India's population |
| Tier 3 | Population less than 250,000 and Rural | 81 % of India's population |

India's Digital stack

1. Aadhar
2. Payments
3. Commerce
4. Credit



India

- 700 million Internet users
- 470 million social media users
- 570 online video streamers
- 350 million digital payments users

Source : e conomy India 2023



India



220 million shopped online



110 million purchased online games



65 million ordered food online



80 million HHs paid utility bills online



Online Usage data

| | China | USA | World | India |
|--|-------|-----|-------|-------|
| Time spent online hours per day | 5.5 | 7 | 7 | 6.5 |
| Social media hours hours per day for internet users | 2 | 2.3 | 2.5 | 2.8 |
| Online video hours per day, 2020 | - | 1.3 | 1.1 | 1.6 |
| Digital payments transactions per capita per year,2023 | 12 | 8 | 25 | 65 |

Source: e conomy india 2023



Is digital a
metro and
large city
phenomenon?

T2 + digital consumers

| | Metros | Tier 1 | Tier 2 |
|--|------------|------------|------------|
| Average time spent online Hours/day | 4 | 4.25 | 4.5 |
| Health digital services usage indexed to metro | 1 | | 1.3 x |
| Food delivery usage indexed to metros | 1 | | 1.1x |
| Edtech digital usage | 1 | | 1.6x |
| I trust INFLUENCERS more than celebrities | 65% | 75% | 84% |
| Happy to try new and untested brands via digital | 67% | 78% | 83% |
| Happy to buy Made In India products | 68% | 77% | 83% |

Sector wise growth

| Sector | 2022 \$ bln | 2030 Est \$ bln | Factor of growth |
|---------------------------------|--------------|-----------------|------------------|
| <u>1. B2C E Commerce</u> | 60-65 | 350-380 | 5 + |
| 2.B 2 B E commerce | 8-9 | 105-120 | 13+ |
| 3. SaaS | 12-13 | 65-75 | 5+ |
| 4. Online Travel | 13-15 | 55-60 | 4+ |
| 5. Online media | 8-9 | 40-50 | 5+ |
| 6. Online Food delivery | 8-9 | 35-40 | 4+ |
| 7.Edtech | 4-5 | 20-25 | 5+ |
| 8. Health tech | 1-2 | 20-25 | 12+ |
| 9. Online ride hailing | 4-5 | 20-25 | 4+ |
| 10. Others | 37-43 | 175-210 | 4+ |

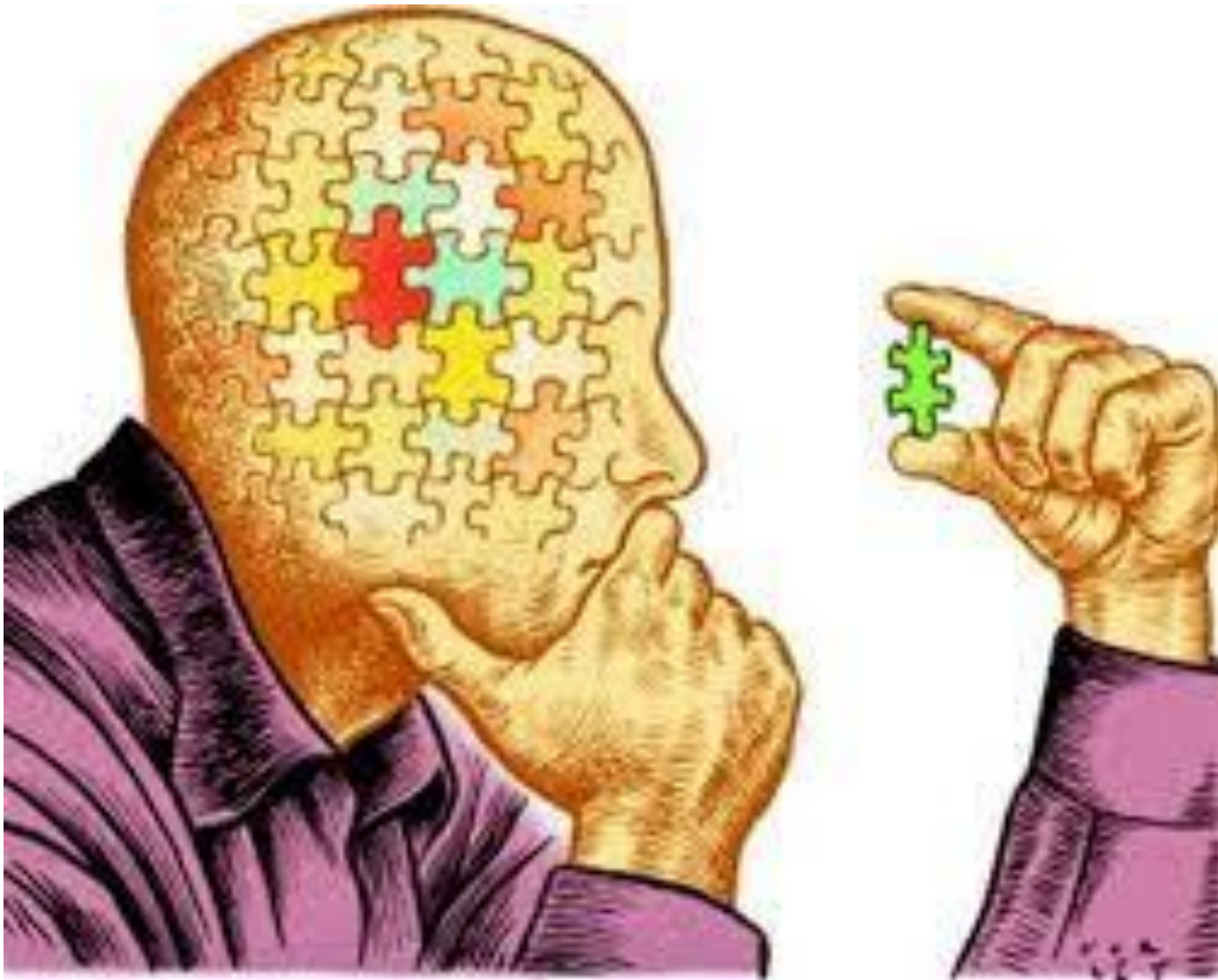
Influencer market in India will be \$ 3 billion by 2030. 70 % of this will be non celebrity influencers

Warning : Celebrities have to rethink their approach. Their share will keep dropping in a digital world.



Startup registrations

| Year | New startup registrations |
|-------------|---------------------------|
| 2016 | <1k |
| 2017 | 5k |
| 2018 | 9k |
| 2019 | 11k |
| 2020 | 14k |
| 2021 | 20k |
| 2022 | 27k |



My ten thoughts...



1. Digital is the new air that Indians breathe morning to night.

MARKETING MYOPIA

BY THEODORE LEVITT



Group 1. Business communication

©2012 ResearchWorks, Inc.

2. Ted Levitt the famous author of 'Marketing Myopia' said in the 1970s that there is no such thing as a commodity, everything can be differentiated.

My point.. There is no such thing as a physical product, service or experience, everything can be digitized or some part can be digitized. E.g. Meet and fly from KLM



3. Everything that is physically challenged or physically unavailable will be a digital opportunity digital, e.g. Doctors, Teachers, Chefs, Therapists, Sports coaches, Gym instructors.

**digital
convenience
is the new
commodity**

4. Technology will not turn something into a commodity. There is still space for insightful and imaginative work despite technology.

Examples.. PPTs, CVs, Voice recorded messages(see Malaysian airlines flight announcements) etc.



NATIONALISM

5. Social media is driving nationalism in every country, be it clothes, food, music, language.



6. Celebrities will be challenged by influencers. Celebrities will lose credibility many times over.

Celebrities will show more humility and are doing so already.



7. Digital products and services start as niche and either die in 12 months or scale up quickly in 3 years. E.g. Threads.

Types of Business Model



8. The next wave is rethinking business models, think the shortest business model between producer and consumer. All non value adding middlemen and managers will disappear.



9. Physical entities that get overrun by digital will need to think of their brand promise and value of brand. E.g., all bank brands are dying in a digital financial world since consumers cannot appreciate the operations part.



10. Digital companies and technology companies need strong eco systems and government management systems in every country.

Over to you...